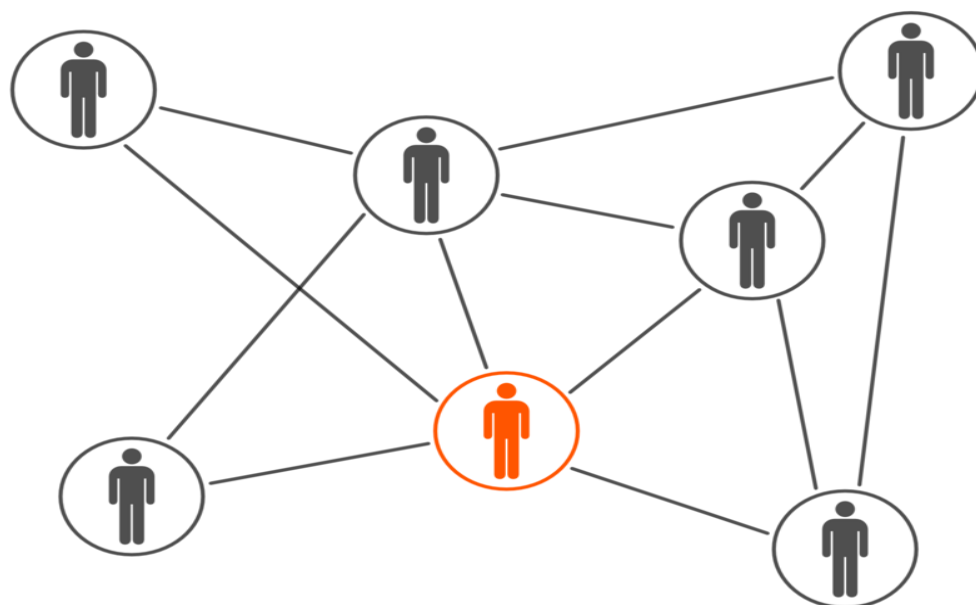




E FACTOR EXPERIENCES LIMITED

**POLICY ON MATERIALITY OF RELATED PARTY
TRANSACTIONS**

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of a company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“**Act**”) read with the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**SEBI Listing Regulations**”), E Factor Experiences Limited (“**the Company**”) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Regulation 23(1) of the SEBI Listing Regulations requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. Further, Regulation 23(2) requires the Audit Committee to define material modification and disclose it as a part of the policy.

In light of the above, The Company has framed this Policy on Related Party Transactions (“**Policy**”). This Policy has been adopted by the Board of Directors of the Company (“**Board**”) based on the recommendations of the Audit Committee. Going forward, the Audit Committee will review the Policy at least once every three years and amend the Policy, as and when required, subject to the adoption by the Board.

OBJECTIVE OF THE POLICY

This policy has been framed to deal with various related party transactions which includes but not limited to material Related Party Transactions or Transaction which are not in the ordinary course of business or on an Arm’s Length basis.

This policy aims to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders. This policy deals with identification of the Related Parties, materiality threshold for related party transactions and the manner of dealing with the transactions with Related Parties by the Company keeping in view the provisions of the Act and Listing Regulations.

DEFINITIONS

“**Act**” means the Companies Act, 2013 as amended from time to time;

“**Arm’s Length Transaction**” means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest;

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company as per section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015.

“**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations;

“**Company**” means “E FACTOR EXPERIENCES LIMITED”

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” as notified by SEBI vide its circular dated June 26, 2025, and subsequently as amended from time to time.

“Key Managerial Personnel” or “KMP” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP in compliance with the provisions of Regulations 2(1)(o) and 6 of the SEBI Listing Regulations and Section 2(51) read with Section 203 of the Act.

“Material Modifications of Related Party Transaction” in relation to the Company means and includes any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

‘Related Party’ will have the same meaning as defined under Section 2(76) of the Act or under the applicable Accounting Standards, as may be amended from time to time.

Provided that any person or entity forming a part of the promoter or promoter group of the listed entity or any person or any entity, holding 20% or more of shareholding (10% or more shareholding w.e.f. April 1, 2023) in the listed entity shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

“Relative” in relation to the related party shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of The Companies (Specification of definition details) Rules, 2014

“Related Party Transaction” have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

- i) the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
- ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;

- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. appointment to any office or place of profit in the Company, its subsidiary or associate company;
- g. underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (b) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.
- (c) retail purchases from the Company or any of its subsidiaries by its directors or key managerial personnel or its subsidiary, and relatives of such directors or key managerial personnel, without establishing any business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

Further, remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

“Materiality of Related Party Transactions” means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 50 Crores or ten per cent. of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Any other term not specifically defined hereinabove shall have the same meaning as defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

MATERIALITY THRESHOLD

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions. None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP’s can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

Identification of Related Parties:

The company has devised a proper mechanism for the identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Each director and Key Managerial Personal is responsible for providing relevant disclosures to the Board or Audit Committee relating to the concern or interest in any company/ companies or bodies corporate, firms or the other association of individuals which shall include shareholding. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

Identification of Related Party Transactions:

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 read with Section 177 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a. Material Related Party Transactions
- b. Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.
- c. Residual Related Party Transactions.

Note: The industry standards are not applicable to RPTs with value less than ₹1 crore in a year.

Review and approval of Audit Committee:

➤ Prior approval of the Audit Committee shall be required for:

- a. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;
 - b. RPTs of above ₹1 crore, where subsidiary is a party but the Company is not a party and the transaction amount exceeds 10% of the annual standalone turnover of the subsidiary as per last audited financial statements of the subsidiary; or the threshold for material related party transactions of listed entity as specified in SEBI Listing Regulations.
- If such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:
- a. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
 - b. the threshold for material related party transactions of listed entity as per SEBI Listing Regulations.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Prior approval of the Audit Committee shall not be required for:

- a. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- b. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- c. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- d. transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- e. remuneration and sitting fees paid by E Factor Experiences Limited or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of the Listing Regulations.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavorable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.

However, the Audit committee may grant omnibus approval in case of frequent/ regular/ repetitive transactions with related parties which are in the normal/ ordinary course of business of the Company. While granting such approval the Audit Committee shall satisfy itself regarding the need for the omnibus approval and that same is in the interest of the Company.

The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied/ amended. Any proposed variations/ amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transactions cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the limits as envisaged in the Listing Regulation, from time to time. Further, the Committee shall on quarterly basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

Approval by the Board:

The Related Party transactions as specified under Section (1) of the Section 188 of Act, which are not in the ordinary course of business and on an Arm's Length basis, shall require approval of the Board. Further, if the Committee is of the view that certain Related Party Transaction(s) should be brought before the Board or if the Board in any case elects to review any such matter or it is specifically provided under any other provision of the Act to be passed by the Board, then the Board shall consider and approve such Related Party Transactions.

Where any Director is interested in any Contract or Arrangement with a related party, such Director shall not be present at the meeting during the discussions on the subject matter of the resolution relating to such contract or arrangement.

Approval of Shareholders:

All Material Related Party Transactions shall require approval of the shareholders through a resolution and the Related Parties shall abstain from voting on such resolution (for the purpose of Listing Regulations).

All the related party transaction(s) to be entered into in terms clauses (a) to (e) of subsection 1 of Section 188 the value/ consideration of which is in excess of their respective limits specified under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rule, 2014 other than Transactions specified in the Para (a) above and the transactions which are in ordinary course of business and on Arm's Length basis shall require approval of the shareholders. No member of the Company shall vote on any resolution involving a transaction if such member is a related party.

However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

- a. transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved
- b. Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary
- c. Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.
- d. transactions entered into between the Company and its wholly owned subsidiary whose accounts are

consolidated with the Company and placed before the shareholders at the general meeting for approval.

- e. transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Related Party Transactions not previously approved:

If at any instance, the Company becomes aware of a Related Party Transaction that has not been approved or ratified, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification/approval.

The members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the Listing Regulations.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances in respect of any such transaction(s) and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee / Board deems appropriate under the circumstances.

DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

The Company shall make appropriate disclosures/ reporting with respect to related party transactions, as per the applicable provisions of the Act and Listing Regulations.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable

The Company shall also maintain relevant register(s) for recording particulars of all such transactions, contracts or arrangements with the related parties as per the relevant provisions of the Act.

AMENDMENT

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to

withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations (“Statutory Provisions”), the provisions of Statutory Provisions shall prevail.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. <https://efactorexpress.com/>

Approved by BoDs on March 28, 2023
Revised on March 31, 2025
Revised on March 30, 2026